Slump in export sector

885. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware of the export sector's woes which is faced with slump and piling up inventories particularly in industries like textile, garments, handicrafts, chemicals and gems and jewellery and also with cut in production by 10 to 50 per cent;

(b) whether over one lakh people had already lost jobs upto January 15, 2009 and one crore job cuts expected this fiscal ending March; and

(c) if so, whether Government would be able to achieve its export target of $ 200 billion by the end of this fiscal?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) On account of global financial crisis and economic slowdown of developed economies, the merchandise export target of US$ 200 Billion, fixed at the time of announcement of Foreign Trade Policy on 11th April, 2008, is unlikely to be achieved during the current financial year. Sectors which have been affected are Gems and Jewellery, Leather and Leather products, Marine, Textile, Handloom, Carpets, Handicrafts, Automobile, SMEs, Plastics and Linoleum, etc. A sample survey conducted by the Department of Commerce for 402 exporting units spread over 17 different sectors, primarily employment oriented, revealed job loss (direct and indirect) to the tune of 1,09,513 persons during the period August '08 to Mid January '09. The Government and the RBI are closely monitoring both the domestic and international economic developments, and a number of measures taken to arrest the slump in exports and the loss of employment.

FDI in sports goods and electronics sector

886. SHRI D. RAJA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is planning to allow Foreign Direct Investment (FDI) in retailing of the sports goods and electronics sector;

(b) the details of thinking on allowing FDI in these two retail sectors;

(c) in what way will such FDI in sports goods and electronics negatively impact employment in the country;

(d) in what way are these two sectors different from other small scale industries; and

(e) the steps proposed to hold a wide discussion before allowing FDI in any such sector in the retail sector in the country?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (e) The present policy does not permit Foreign Direct Investment (FDI) in retial trade except Single Brand retial where FDI up to 51%, with prior Government approval is allowed. The policy on FDI is reviewed on a continuing basis through an inter-ministerial consultation process and wider discussions. keeping in view the interests of all stakeholders.

Scrapping of SEZs in Goa

887. SHRI D. RAJA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the Government of Goa has recommended the scrapping of some Special Economic Zones;

(b) details of the request of Government of Goa in this regard;

(c) what were the reasons advanced by Government of Goa to scrap or withdraw SEZ status to some areas;

(d) whether it is also a fact that request have come from different places to derecognize SEZs; and

(e) the steps proposed to review the utility of all SEZs sanctioned in the last two years?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Yes, Sir. A communication has been received from the Government of Goa withdrawing the recommendations granted by them for setting up of Special Economic Zones (SEZs) in Goa, including the three notified SEZs.

(c) The reasons mentioned by Government of Goa are that SEZs would put undue strain on the resources of State without commensurate benefits and will also lead to large scale migration of people.

(d) Only one request has come for de-notification of SEZ.

(e) As the newly established SEZs are just getting established/operational, it is too early to make any assessment on their viability which is constantly being evaluated by the Developer of SEZs and entrepreneurs in the manufacturing/service units who are investing their money.

Production of organic tea

888. SHRI BIRENDRA PRASAD BAISHYA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has taken new project to produce organic tea in the country;